

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
429-35 (COR) As amended in the Committee of the Whole	Joe S. San Agustin Tina Rose Muña Barnes Jose "Pedro" Terlaje Amanda L. Shelton	AN ACT TO AMEND § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUTSTANDING GENERAL REVENUE BONDS, 2013 SERIES A, GENERAL REVENUE BONDS, 2013 SERIES B, AND 2013 SERIES C AND TO AUTHORIZE FURTHER REFUNDING BONDS.	12/3/20 2:50 p.m.	12/3/20	Committee on General Government Operations, Appropriations, and Housing	12/15/20 5:00 p.m.	12/17/20 4:49 p.m.	12/10/20	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES	
	12/30/20	AN ACT TO AMEND § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUTSTANDING GENERAL REVENUE BONDS, 2013 SERIES A, GENERAL REVENUE BONDS, 2013 SERIES B, AND 2013 SERIES C AND TO AUTHORIZE FURTHER REFUNDING BONDS.	12/30/20	12/31/20	1/12/21	35-137	1/4/21	Received: 1/4/21 Mess and Comm. Doc. No. 36GL-21-0001	

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

January 4, 2021

Messages & Communication
36GL-21-0001

Senator
Therese M. Teriaje

HONORABLE THERESE TERLAJE

Speaker

I Mina'trentai Sais Na Liheslaturan Guåhan

36th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

JAN 04 2021

Time: 4:03 pm

Received by:

Re: **Bill No. 429-35 (COR)** – An Act to *Add* New Subsections (d) and (e) to § 1216 of Article 2, Chapter 1, Title 12, Guam Code Annotated, Relative to Authorizing the Issuance of Revenue Bonds of the A.B. Won Pat International Airport Authority, Guam to Refund All or a Portion of its Outstanding General Revenue Bonds, 2013 Series A, General Revenue Bonds, 2013 Series B, General Revenue Bonds, 2013 Series C, General Revenue Bonds, 2019 Series A, and/or General Revenue Bonds, 2019 Serie B (Taxable), and to Authorize Further Refunding Bonds

Dear Madame Speaker:

On its final day of session, the 35th Guam Legislature convened at my call to address Bill 429-35 (COR), which I have signed into law as Public Law No. 35-137 and which provides authority to A.B. Won Pat International Airport Authority, Guam (GIAA) to refund toward the possibility of millions of dollars in debt service reduction. This will certainly assist our only commercial airport with its ability to continue to provide the necessary air travel service to our island and this region. Connecting Guam to the rest of the world is something the GIAA achieves on a daily basis and we will need a financially strong and sustainable airport authority to ensure we are able to climb out of the economic turmoil we are facing as a result of the global COVID-19 pandemic.

Senseramente,

LOURDES A. LEON GUERRERO

I Maga'hāgan Guåhan
Governor of Guam

Enclosure: Bill No. 429-35 nka P.L. 35-137

cc via email: *Sigundo Maga'lāhen Guåhan*
Hon. Tina Rose Muna Barnes, Vice Speaker, 36th Guam Legislature
and Speaker, 35th Guam Legislature
Compiler of Laws

**I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN
2020 (FOURTH) Special Session**

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÁGAN GUÁHAN

This is to certify that **Bill No. 429-35 (COR) "AN ACT TO ADD NEW SUBSECTIONS (d) AND (e) TO § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUTSTANDING GENERAL REVENUE BONDS, 2013 SERIES A, GENERAL REVENUE BONDS, 2013 SERIES B, GENERAL REVENUE BONDS, 2013 SERIES C, GENERAL REVENUE BONDS, 2019 SERIES A, AND/OR GENERAL REVENUE BONDS, 2019 SERIES B (TAXABLE), AND TO AUTHORIZE FURTHER REFUNDING BONDS,"** was on the 30th day of December 2020, duly and regularly passed.




Tina Rose Muña Barnes
Speaker

Attested:



Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 31st day of DECEMBER
2020, at 3:52 o'clock P.M.



Assistant Staff Officer
Maga'håga's Office

APPROVED:



Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 1/4/2021

Public Law No. 35-137

Jessica Cruz
RCUD AT CENTRAL FILES
DEC 31 '20 PM3:52
2020-12599

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN
2020 (SECOND) Regular Session

Bill No. 429-35 (COR)

As amended in the Committee of the Whole.

Introduced by:

Joe S. San Agustin
Tina Rose Muña Barnes
Jose "Pedo" Terlaje
Amanda L. Shelton
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Telo T. Taitague
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *ADD* NEW SUBSECTIONS (d) AND (e) to § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUTSTANDING GENERAL REVENUE BONDS, 2013 SERIES A, GENERAL REVENUE BONDS, 2013 SERIES B, GENERAL REVENUE BONDS, 2013 SERIES C, GENERAL REVENUE BONDS, 2019 SERIES A, AND/OR GENERAL REVENUE BONDS, 2019 SERIES B (TAXABLE), AND TO AUTHORIZE FURTHER REFUNDING BONDS.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that 12 GCA § 1216 provides that the Antonio B. Won Pat International Airport
4 Authority, Guam (Authority) is authorized to incur indebtedness by the issuance of
5 general revenue bonds for the purpose of refunding any general revenue bonds of
6 the Authority then outstanding.

7 12 GCA § 1208 provides that no general revenue bonds of the Authority shall
8 be issued unless authorized by the Board of the Authority in a bond resolution
9 adopted by it and approved by *I Maga'hågan Guåhan* and unless *I Liheslaturan*
10 *Guåhan* approves the terms and conditions of the bonds.

11 12 GCA § 50103 provides that public corporations of the government of
12 Guam, including the Authority, shall issue bonds and other obligations only by
13 means of, and through the agency of the Guam Economic Development Authority
14 (GEDA), and that GEDA shall not sell any bond without the approval by *I*
15 *Liheslaturan Guåhan* of the terms and conditions of the bonds.

16 Based on low interest rates and current market conditions, the Authority
17 expects to be able to refund all or a portion of its outstanding General Revenue
18 Bonds, 2013 Series A (2013 Series A Bonds), General Revenue Bonds, 2013 Series
19 B (2013 Series B Bonds), General Revenue Bonds, 2013 Series C (2013 Series C
20 Bonds), General Revenue Bonds, 2019 Series A (2019 Series A Bonds), and/or
21 General Revenue Bonds, 2019 Series B (Taxable) (2019 Series B Bonds),
22 (collectively, "Prior Bonds"), for debt service savings through the issuance of
23 taxable refunding revenue bonds of the Authority ("Refunding Bonds").

24 There may in the future be the opportunity, subject to market conditions, to
25 refund the Refunding Bonds on a tax-exempt basis for further debt service savings.

26 Therefore, in order to benefit the airport and the tourism industry that depends
27 on the airport, *I Liheslaturan Guåhan* intends to approve (1) the issuance of the

1 Refunding Bonds to refund all or a portion of its Prior Bonds on a taxable basis; and
2 (2) the issuance of revenue bonds of the Authority to refund the Refunding Bonds
3 on a tax-exempt basis in the future, subject to market conditions, all subject to
4 approval by *I Maga'hågan Guåhan* and the Board of Directors of GEDA in
5 accordance with law.

6 **Section 2.** New Subsections (d) and (e) are hereby *added* to § 1216 of
7 Article 2, Chapter 1, Title 12, Guam Code Annotated, as follows:

8 “(d) *I Liheslaturan Guåhan*, pursuant to § 1208(a) of this Article and
9 12 GCA § 50103(k), hereby approves the terms and conditions of the issuance
10 of one or more series of general revenue bonds by the Authority for the
11 purpose of refunding all or a portion of the Authority’s outstanding General
12 Revenue Bonds, 2013 Series A, General Revenue Bonds, 2013 Series B,
13 General Revenue Bonds, 2013 Series C, General Revenue Bonds, 2019 Series
14 A, and/or General Revenue Bonds, 2019 Series B (Taxable), (hereinafter
15 collectively, “Prior Bonds”), in accordance with the requirements, limitations,
16 terms and conditions:

17 (1) All obligations of the Authority to pay debt service on, and
18 the redemption price of, the Prior Bonds refunded shall be discharged
19 concurrently with the issuance of the refunding bonds. Thereafter, such
20 Prior Bonds shall be payable solely from and secured solely by an
21 escrow established for such purpose in accordance with the Authority’s
22 existing bond indenture or otherwise shall be redeemed on the closing
23 date of the refunding bonds.

24 (2) Such bonds shall be issued and sold in compliance with
25 the provisions of Article 2 of Chapter 1, Title 12, Guam Code
26 Annotated, including approval of the bond resolution by the Board of

1 Directors of the Authority and by *I Maga'hågan Guåhan* as provided
2 therein.

3 (3) The sale of the bonds shall be approved by the Board of
4 Directors of GEDA as provided by Chapter 50 of Title 12, Guam Code
5 Annotated.

6 (4) The debt service savings resulting from the issuance of the
7 refunding bonds shall be not less than an amount equal to two percent
8 (2%) of the principal amount of the Prior Bonds refunded. Debt service
9 savings is defined for this purpose to be the amount by which the
10 present value of debt service on the Prior Bonds exceeds the present
11 value of debt service on the refunding bonds, using the yield on the
12 refunding bonds as the discount rate for purposes of calculating present
13 value.

14 (5) Such refunding bonds shall have a principal amount or
15 principal amounts sufficient to provide funds for the payment of all or
16 a portion of the Prior Bonds refunded, and in addition, for the payment
17 of all expenses incident to the calling, retiring or paying of such Prior
18 Bonds and the issuance of such refunding bonds, including:

19 (A) the difference in amount between the par value of
20 the refunding bonds and any amount less than par for which the
21 refunding bonds are sold;

22 (B) any amount necessary to be made available for the
23 payment of interest upon such refunding bonds from the date of
24 sale thereof to the date of payment of the Prior Bonds or to the
25 date upon which the Prior Bonds will be paid pursuant to the call
26 thereof or agreement with the holders thereof;

1 (C) the premium, if any, necessary to be paid in order to
2 call or retire the Prior Bonds and the interest accruing thereon to
3 the date of the call or retirement; and

4 (D) any additional amount needed to provide for a
5 deposit to the debt service reserve in connection with the
6 issuance of the refunding bonds.

7 (6) Such refunding bonds may be issued on a federally taxable
8 or tax-exempt basis.

9 (e) *I Liheslaturan Guåhan*, pursuant to § 1208(a) and § 50103(k) of
10 Title 12, Guam Code Annotated, hereby approves the terms and conditions of
11 the issuance of one or more series of general revenue bonds by the Authority
12 for the purpose of refunding all or a portion of the bonds authorized by
13 Subsection (d) hereof, in accordance with the following requirements,
14 limitations, terms and conditions:

15 (1) All obligations of the Authority to pay debt service on, and
16 the redemption price of, such bonds refunded shall be discharged
17 concurrently with the issuance of the refunding bonds. Thereafter, such
18 bonds shall be payable solely from and secured solely by an escrow
19 established for such purpose in accordance with the Authority's
20 existing bond indenture or otherwise shall be redeemed on the closing
21 date of the refunding bonds.

22 (2) Such bonds shall be issued and sold in compliance with
23 the provisions of Article 2 of Chapter 1, Title 12, Guam Code
24 Annotated, including approval of the bond resolution by the Board of
25 Directors of the Authority and by *I Maga'hågan Guåhan* as provided
26 therein.

1 (3) The sale of the bonds shall be approved by the Board of
2 Directors of GEDA as provided by Chapter 50 of Title 12, Guam Code
3 Annotated.

4 (4) The debt service savings resulting from the issuance of the
5 refunding bonds shall be not less than an amount equal to two percent
6 (2%) of the principal amount of such bonds refunded. Debt service
7 savings is defined for this purpose to be the amount by which the
8 present value of debt service on such bonds exceeds the present value
9 of debt service on the refunding bonds, using the yield on the refunding
10 bonds as the discount rate for purposes of calculating present value.

11 (5) Such refunding bonds shall have a principal amount or
12 principal amounts sufficient to provide funds for the payment of all or
13 a portion of such bonds refunded, and in addition, for the payment of
14 all expenses incident to the calling, retiring or paying of such bonds and
15 the issuance of such refunding bonds, including:

16 (A) the difference in amount between the par value of
17 the refunding bonds and any amount less than par for which the
18 refunding bonds are sold;

19 (B) any amount necessary to be made available for the
20 payment of interest upon such refunding bonds from the date of
21 sale thereof to the date of payment of such bonds or to the date
22 upon which such bonds will be paid pursuant to the call thereof
23 or agreement with the holders thereof;

24 (C) the premium, if any, necessary to be paid in order to
25 call or retire such bonds and the interest accruing thereon to the
26 date of the call or retirement; and

1 (D) any additional amount needed to provide for a
2 deposit to the debt service reserve in connection with the
3 issuance of the refunding bonds.

4 (6) Such refunding bonds may be issued on a federally tax-
5 exempt basis.”

6 **Section 3. Local Sale of Bonds.** The Authority shall undertake its best
7 efforts to cause a portion of any bonds issued hereunder to be offered for sale in
8 Guam, as well as in other jurisdictions, if and to the extent that such offer and any
9 sales resulting from such offer do not increase the cost to the Authority of issuing
10 and repaying such bonds.

11 **Section 4. Severability.** If any provision of this Act or its application to any
12 person or circumstance is found to be invalid or contrary to law, such invalidity shall
13 not affect other provisions or applications of this Act that can be given effect without
14 the invalid provision or application, and to this end the provisions of this Act are
15 severable.